By: Hardcastle, Christian, Keffer of Eastland, Flores, Guillen, et al. H.B. No. 1009

Substitute the following for H.B. No. 1009:

By: Solomons

C.S.H.B. No. 1009

## A BILL TO BE ENTITLED

1 AN ACT

- 2 relating to the acquisition and regulation of manufactured homes.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 4 SECTION 1. Section 1201.113, Occupations Code, is amended to read as follows:
- 6 Sec. 1201.113. CERTIFICATION AND CONTINUING EDUCATION
- 7 PROGRAMS. (a) The <u>board shall</u> [department may] recognize,
- 8 prepare, or administer [a] certification and continuing education
- 9 programs [program] for persons regulated under this chapter.
- 10 [Participation in a certification program is voluntary.]
- 11 (b) [The board shall recognize, prepare, or administer a
- 12 continuing education program for its license holders. A license
- 13 holder must participate in <u>certification and</u> [a] continuing
- 14 education programs as provided by Subsection (e) [program to the
- 15 extent required by the board to retain the person's license].
- 16 (c) To prepare or administer a certification or continuing
- 17 education program under this section, the board may contract with:
- 18 (1) a private, nonprofit organization that qualifies
- 19 for an exemption from federal income taxation under Section 501(a),
- 20 Internal Revenue Code of 1986, by being listed as an exempt
- organization under Section 501(c)(3) of that code; or
- 22 (2) an educational institution.
- 23 (d) To be considered for a contract under Subsection (c), an
- 24 organization or institution must submit an application. The board

- 1 may charge an application fee to be set by the board in an amount
- 2 necessary to pay the costs of processing the application.
- 3 (e) Persons regulated under this chapter and directly
- 4 involved in the sale of manufactured housing must complete eight
- 5 hours of certification and continuing education programs each year.
- 6 The programs must address state and federal law applicable to all
- 7 manufactured housing retailer practices and relevant consumer
- 8 protection regulations and ethical standards.
- 9 (f) The department shall issue an appropriate certificate
- 10 to a person who completes a certification program <u>and</u> [<del>or</del>]
- 11 participates in a continuing education program under this section.
- 12 (g) The board shall suspend the license of a person
- 13 regulated under this chapter who does not complete the programs as
- 14 required by this section. The board shall reinstate the license on
- the person's completion of the programs.
- 16 SECTION 2. If the Act of the 78th Legislature, Regular
- 17 Session, 2003, relating to nonsubstantive additions to and
- 18 corrections in enacted codes takes effect, Section 1201.162(a),
- 19 Occupations Code, is amended to read as follows:
- 20 (a) Before the completion of a credit application, the
- 21 retailer or agent must provide to the consumer the following
- 22 statement that is printed in at least 12-point [10-point] type and
- 23 not attached to or combined with any other written material:
- "When buying a manufactured home, there are a number of
- 25 important considerations, including price, quality of
- 26 construction, features, floor plan, and financing alternatives.
- 27 "The United States Department of Housing and Urban

- 1 Development (HUD) helps protect consumers through regulation and
- 2 enforcement of HUD design and construction standards for
- 3 manufactured homes. Manufactured homes that meet HUD standards are
- 4 known as 'HUD-code manufactured homes.' The Texas Department of
- 5 Housing and Community Affairs regulates Texas manufacturers,
- 6 retailers, brokers, salespersons, installers, and rebuilders of
- 7 manufactured homes.
- 8 "If you plan to place a manufactured home on land that you own
- 9 or will buy, you should consider items such as:
- 10 "ZONING AND RESTRICTIVE COVENANTS. <u>Municipalities</u> [Some
- 11 municipalities] or subdivisions may restrict placement of
- 12 manufactured homes on certain lots, may prohibit the placement of
- 13 homes within a certain distance from property lines, may require
- 14 that homes be a certain size, and may impose certain construction
- 15 requirements. You may need to obtain building permits and
- 16 homeowner association approval before you place a manufactured home
- 17 on a certain lot. Contact the local municipality, county, and
- 18 subdivision manager to find out if you can place the manufactured
- 19 home of your choice on a certain lot.
- "WATER. [Not all lots have immediate access to water lines.
- 21 You may have to drill a well. Be sure that your lot has access to
- 22 water. If you must drill a well, contact several drillers for bids.
- 23 If water is <u>available through</u> [<del>provided by</del>] a municipality, utility
- 24 district, water district, or cooperative, you should inquire about
- 25 the rates you will have to pay and the costs necessary to join the
- 26 <u>water system</u>.
- 27 "SEWER. If your lot is not serviced by a municipal sewer

- 1 system or utility district, you  $\underline{\text{will}}$  [ $\underline{\text{may}}$ ] have to install an
- on-site sewer facility (commonly known as a septic system). There
- 3 are a number of concerns or restrictions that will determine if your
- 4 lot is adequate to support an on-site sewer facility. Check with
- 5 the local county or a licensed private installer to determine the
- 6 requirements that apply to your lot and the cost to install such a
- 7 system.
- 8 "HOMEOWNER ASSOCIATION FEES. Many subdivisions have
- 9 mandatory assessments and fees that lot owners must pay. Check with
- 10 the manager of the subdivision in which your lot is located to
- 11 determine if any fees apply to your lot.
- 12 "TAXES. Your home will be appraised and subject to ad
- 13 valorem taxes as are other single-family residential structures.
- 14 These taxes must be escrowed with your monthly payment, except that
- 15 your lender is not obligated to impose an escrow requirement in a
- 16 real property transaction involving a manufactured home if the
- 17 lender does not otherwise require the escrow of taxes, insurance
- 18 premiums, fees, or other charges in connection with loans secured
- 19 by residential real property. On closing, you will be notified of
- 20 all provisions pertaining to federal truth in lending disclosures.
- 21 "INSURANCE. Your lender may require you to obtain insurance
- 22 that meets lender requirements and protects your investment. You
- 23 should request quotes from the agent of your choice to obtain the
- 24 insurance.
- 25 "TYPES OF MORTGAGES AVAILABLE. The acquisition of a
- 26 manufactured home may be financed by a real estate mortgage or a
- 27 chattel mortgage. A real estate mortgage may have a lower interest

rate than a chattel mortgage.

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"RIGHT OF RESCISSION. If you acquire a manufactured home, by purchase, exchange, or lease-purchase, you may, not later than the third day after the date the applicable contract is signed, rescind the contract without penalty or charge." [In Texas, real property is taxed annually based on its market value. Attaching a manufactured home to a lot improves the lot's value and will increase the taxes assessed on the lot. You are liable for the payment of all ad valorem taxes assessed against your home by the municipality, county, school district, and other tax authorities (utility district, community college, etc.). As with other residential structures, the applicable tax rate will apply to the market value of the home. You should contact the local chief appraiser or the county tax assessor-collector for specific tax information. They will need to know the price you paid for, and the specific location of, the home. If the manufactured home is your principal place of residence, you should be able to claim a HOMESTEAD EXEMPTION. You should also make certain that the lot or land you are purchasing is not subject to any rollback tax liability because of the change in use of the property."]

SECTION 3. If the Act of the 78th Legislature, Regular Session, 2003, relating to nonsubstantive additions to and corrections in enacted codes does not take effect, Section 21(a), Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) Prior to the completion of a credit application, the retailer or agent must provide to the consumer the following

- 1 statement that is printed in at least  $\underline{12-point}$  [ $\underline{10-point}$ ] type and
- 2 not attached to or combined with any other written material:
- 3 "When buying a manufactured home, there are a number of
- 4 important considerations, including price, quality of
- 5 construction, features, floor plan, and financing alternatives.
- 6 "The United States Department of Housing and Urban
- 7 Development (HUD) helps protect consumers through regulation and
- 8 enforcement of HUD design and construction standards for
- 9 manufactured homes. Manufactured homes that meet HUD standards are
- 10 known as 'HUD-code manufactured homes.' The Texas Department of
- 11 Housing and Community Affairs regulates Texas manufacturers,
- 12 retailers, brokers, salespersons, installers, and rebuilders of
- 13 manufactured homes.
- "If you plan to place a manufactured home on land that you own
- or will buy, you should consider items such as:
- 16 "ZONING AND RESTRICTIVE COVENANTS. Municipalities [Some
- 17 municipalities] or subdivisions may restrict placement of
- 18 manufactured homes on certain lots, may prohibit the placement of
- 19 homes within a certain distance from property lines, may require
- that homes be a certain size, and may impose certain construction
- 21 requirements. You may need to obtain building permits and
- 22 homeowner association approval before you place a manufactured home
- 23 on a certain lot. Contact the local municipality, county, and
- 24 subdivision manager to find out if you can place the manufactured
- 25 home of your choice on a certain lot.
- 26 "WATER. [Not all lots have immediate access to water lines.
- 27 You may have to drill a well. Be sure that your lot has access to

- 1 water. If you must drill a well, contact several drillers for bids.
- 2 If water is available through [provided by] a municipality, utility
- 3 district, water district, or cooperative, you should inquire about
- 4 the rates you will have to pay and the costs necessary to join the
- 5 water system.
- 6 "SEWER. If your lot is not serviced by a municipal sewer 7 system or utility district, you <u>will</u> [may] have to install an
- 8 on-site sewer facility (commonly known as a septic system). There
- 9 are a number of concerns or restrictions that will determine if your
- 10 lot is adequate to support an on-site sewer facility. Check with
- 11 the local county or a licensed private installer to determine the
- 12 requirements that apply to your lot and the cost to install such a
- 13 system.
- 14 "HOMEOWNER ASSOCIATION FEES. Many subdivisions have
- 15 mandatory assessments and fees that lot owners must pay. Check with
- 16 the manager of the subdivision in which your lot is located to
- 17 determine if any fees apply to your lot.
- "TAXES. Your home will be appraised and subject to ad valorem
- 19 taxes as are other single-family residential structures. These
- 20 taxes must be escrowed with your monthly payment, except that your
- 21 <u>lender is not obligated to impose an escrow requirement in a real</u>
- 22 property transaction involving a manufactured home if the lender
- 23 does not otherwise require the escrow of taxes, insurance premiums,
- 24 fees, or other charges in connection with loans secured by
- 25 <u>residential real property. On closing, you will be notified of all</u>
- 26 provisions pertaining to federal truth in lending disclosures.
- 27 "INSURANCE. Your lender may require you to obtain insurance

- that meets lender requirements and protects your investment. You 1
- 2 should request quotes from the agent of your choice to obtain the
- 3 insurance.

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- 4 "TYPES OF MORTGAGES AVAILABLE. The acquisition of a
- manufactured home may be financed by a real estate mortgage or a 5
- 6 chattel mortgage. A real estate mortgage may have a lower interest
- 7 rate than a chattel mortgage.
- "RIGHT OF RESCISSION. If you acquire a manufactured home, by purchase, exchange, or lease-purchase, you may, not later than the 9
- third day after the date the applicable contract is signed, rescind 10
- the contract without penalty or charge." [In Texas, real property 11
- is taxed annually based on its market value. Attaching a 12
- manufactured home to a lot improves the lot's value and will 13
- increase the taxes assessed on the lot. You are liable for the 14
- 15 payment of all ad valorem taxes assessed against your home by
- (utility district, community college, etc.). As with other 17

municipality, county, school district, and other tax authorities

- residential structures, the applicable tax rate will apply to the 18
- market value of the home. You should contact the local chief 19
- appraiser or the county tax assessor-collector for specific tax 20
- information. They will need to know the price you paid for, and the 21
- specific location of, the home. If the manufactured home is your 22
- principal place of residence, you should be able to claim 23
- 24 HOMESTEAD EXEMPTION. You should also make certain that the lot
- 25 land you are purchasing is not subject to any rollback tax liability
- because of the change in use of the property."] 26
- SECTION 4. Subchapter D, Chapter 1201, Occupations Code, is 27

- C.S.H.B. No. 1009
- 1 amended by adding Sections 1201.1505, 1201.1521, 1201.163, and
- 2 1201.164 to read as follows:
- 3 Sec. 1201.1505. DEPOSIT ON SPECIALLY ORDERED MANUFACTURED
- 4 HOMES. A retailer may require an earnest money deposit on a
- 5 specially ordered manufactured home only if:
- (1) an earnest money contract has been signed by all
- 7 parties;
- 8 (2) if applicable, the original binding loan
- 9 commitment letter issued by the lender is delivered to the
- consumer; and
- 11 (3) the consumer has not rescinded the contract under
- 12 Section 1201.1521.
- Sec. 1201.1521. RESCISSION OF CONTRACT FOR SALE, EXCHANGE,
- 14 OR LEASE-PURCHASE OF HOME. A person who acquires a manufactured
- 15 home by purchase, exchange, or lease-purchase may, not later than
- 16 the third day after the date the applicable contract is signed,
- 17 rescind the contract without penalty or charge.
- 18 Sec. 1201.163. ADVANCE COPY OF INSTALLMENT CONTRACT AND
- 19 DISCLOSURE STATEMENT; OFFER BY RETAILER. In a chattel mortgage
- 20 transaction involving an installment contract, a retailer shall
- 21 <u>deliver to a consumer at least 24 hours before the contract is fully</u>
- 22 <u>executed the disclosure statement required by this subchapter and</u>
- 23 the contract, with all required information included, signed by the
- 24 retailer. The delivery of the disclosure statement and installment
- 25 contract, with all required information included, signed by the
- 26 retailer constitutes a firm offer by the retailer. The consumer may
- 27 accept the offer not earlier than 24 hours after the delivery of the

- 1 <u>documents.</u>
- 2 Sec. 1201.164. NONBINDING ESTIMATE. In a chattel mortgage
- 3 transaction, if a retailer provides a nonbinding estimate regarding
- 4 the contract price of a manufactured home or the monthly payments or
- 5 interest rate applicable to a loan issued in connection with the
- 6 home, the estimate must be made in writing and in good faith.
- 7 SECTION 5. Sections 1201.217(a)-(d), Occupations Code, are
- 8 amended to read as follows:
- 9 (a) Except as provided by Section 1201.218, if a
- 10 manufactured home is permanently attached [  $\overline{\text{or becomes an}}$
- 11 improvement to real property, as defined by Section 2306.004,
- 12 Government Code, the manufacturer's certificate or the original
- document of title may [shall] be surrendered to the department for
- 14 cancellation. [This requirement does not apply to an owner who is
- 15 not issued a title under Section 2.001(e) or (f), Property Code.
- 16 (b) The legal description or the appropriate tract or parcel
- 17 number of the real property must be given to the department when the
- 18 manufacturer's certificate or original document of title is
- 19 surrendered. A [If a notice of attachment is to be filed, a] copy of
- 20 the notice of attachment filed under Subsection (d) must be
- 21 submitted with the manufacturer's certificate or the original
- 22 document of title [surrendered for cancellation]. The director may
- 23 require the filing of other information.
- (c) The department shall issue a certificate of attachment
- 25 to real property to the person who surrenders the manufacturer's
- 26 certificate or original document of title. The certificate of
- 27 attachment to real property must:

- 1 (1) contain:
- 2 (A) the legal description or the appropriate
- 3 tract or parcel number of the real property; and
- 4 (B) the identification number of the home; and
- 5 (2) certify that the manufacturer's certificate or 6 original document of title has been canceled.
- o original accument of crete has been cancerea.
- 7 (d) Before the department issues a certificate of 8 attachment, [+
- 9 [(1)] a title insurance company [insurer] authorized
- 10 to <u>engage in [do]</u> business in this state <u>or other person who [that]</u>
- 11 surrenders the manufacturer's certificate or the original document
- 12 of title to the department shall [must] file a notice of
- 13 [improvement] attachment in the real property records of the county
- in which the home is located[; and
- 15 [(2) a person who surrenders the manufacturer's
- 16 certificate or the original document of title to the department may
- 17 file a notice of attachment in the real property records of the
- 18 county in which the home is located].
- 19 SECTION 6. Section 1201.218(a), Occupations Code, is
- 20 amended to read as follows:
- 21 (a) The department may not cancel a manufacturer's
- 22 certificate or an original  $[\frac{1}{4}]$  document of title under Section
- 23 1201.217 if a lien on the manufactured home has been recorded with
- 24 the department.
- 25 SECTION 7. If the Act of the 78th Legislature, Regular
- 26 Session, 2003, relating to nonsubstantive additions to and
- 27 corrections in enacted codes takes effect, Sections 1201.222(a),

- 1 (b), and (c), Occupations Code, are amended to read as follows:
- A manufactured home that is permanently attached to real property and titled in the name of the consumer under a deed or contract for sale is classified [and taxed] as real property if the manufacturer's certificate of origin or the original document of title is surrendered for cancellation and a notice of attachment or a certificate of attachment, as described by Section 1201.217, is filed in the real property records of the county in which the home is located [the real property to which the home is attached is titled in the name of the consumer under a deed or contract for sale]. A manufactured home is considered permanently attached to real property if the home is secured to a foundation and connected to a utility, including a utility providing water, electric, natural gas, propane or butane gas, or wastewater service.
  - (b) The closing of a transaction for the acquisition of <u>real</u> <u>property and</u> a manufactured home considered to be real property under this section must occur at the office of a federally insured financial institution, a title insurer, or an attorney at law. If the real property is purchased under a contract of sale, the contract must be filed in the real property records of the county in which the home is <u>attached</u> [<u>installed</u>].

(c) Attachment [Installation] of a manufactured home considered to be real property under this section must occur in a manner that satisfies the lending requirements of the Federal Housing Administration (FHA), Fannie Mae, or Freddie Mac for long-term mortgage loans or for FHA insurance. In addition, the attachment [The installation] of a new manufactured home must

- 1 meet[, in addition to applicable state standards,] the
- 2 manufacturer's specifications required to validate the
- 3 manufacturer's warranty.
- 4 SECTION 8. If the Act of the 78th Legislature, Regular
- 5 Session, 2003, relating to nonsubstantive additions to and
- 6 corrections in enacted codes does not take effect, Sections 19A(a),
- 7 (b), and (c), Texas Manufactured Housing Standards Act (Article
- 8 5221f, Vernon's Texas Civil Statutes), are amended to read as
- 9 follows:
- 10 (a) A manufactured home that is permanently attached to real
- 11 property and titled in the name of the consumer under a deed or
- 12 contract for sale is classified [and taxed] as real property if the
- 13 manufacturer's certificate of origin or the original document of
- 14 <u>title is surrendered for cancellation and a notice of attachment or</u>
- 15 <u>a certificate of attachment, as described by Section 1201.217,</u>
- 16 Occupations Code, is filed in the real property records of the
- 17 county in which the home is located [the real property to which the
- 18 home is attached is titled in the name of the consumer under a deed
- 19 or contract for sale]. A manufactured home is considered
- 20 permanently attached to real property if the home is secured to a
- 21 foundation and connected to a utility, including a utility
- 22 providing water, electric, natural gas, propane or butane gas, or
- 23 wastewater services.
- 24 (b) The closing of a transaction for the acquisition of real
- 25 property and a manufactured home considered to be real property
- 26 under this section must occur at the office of a federally insured
- 27 financial institution, a title company, or an attorney at law. If

- 1 the real property is purchased under a contract of sale, the
- 2 contract must be filed in the real property records of the county in
- 3 which the home is attached [installed].
- 4 (c) Attachment [Installation] of a manufactured home
- 5 considered to be real property under this section must occur in a
- 6 manner that satisfies the lending requirements of the Federal
- 7 Housing Administration (FHA), Fannie Mae, or Freddie Mac for
- 8 long-term mortgage loans or for FHA insurance. <u>In addition, the</u>
- 9 attachment [The installation] of a new manufactured home must
- 10  $meet[\frac{1}{7} in addition to applicable state standards_{7}]$  the
- 11 manufacturer's specifications required to validate the
- 12 manufacturer's warranty.
- 13 SECTION 9. Section 1201.508, Occupations Code, is amended
- 14 by adding Subsection (d) to read as follows:
- 15 (d) The retailer may not require a consumer to make a down
- 16 payment on the acquisition of a manufactured home from the
- 17 retailer's inventory until the time the installment contract is
- 18 executed.
- 19 SECTION 10. Section 1201.551, Occupations Code, is amended
- 20 by adding Subsection (c) to read as follows:
- (c) Notwithstanding Subsection (a), the director may not
- 22 suspend or revoke a license for a single violation of the
- 23 requirements of this chapter regarding the provision of information
- 24 by a retailer to a consumer. The director may suspend the license
- 25 for a second violation of those requirements and may suspend or
- 26 revoke the license for any subsequent violation of those
- 27 requirements.

- 1 SECTION 11. Section 1201.605, Occupations Code, is amended
- 2 to read as follows:
- 3 Sec. 1201.605. ADMINISTRATIVE PENALTY. (a) The director
- 4 may assess against a person who fails to obtain or maintain a
- 5 license as required by this chapter an administrative penalty in an
- 6 amount not to exceed \$10,000 for each violation of this chapter and:
- 7 (1) reasonable attorney's fees;
- 8 (2) administrative costs;
- 9 (3) witness fees;
- 10 (4) investigative costs; and
- 11 (5) deposition expenses.
- 12 <u>(b) The director may assess against a retailer who fails to</u>
  13 <u>provide information to a consumer as required by this chapter an</u>
- 14 administrative penalty in an amount not to exceed:
- 15 (1) \$1,000 for the first violation;
  - (2) \$2,000 for the second violation; and
- 17 (3) \$4,000 for each subsequent violation.
- 18 SECTION 12. Section 347.254, Finance Code, is amended by
- 19 amending Subsection (a) and adding Subsection (c) to read as
- 20 follows:

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- 21 (a) Except as provided by Subsection (c), a [A] creditor
- $\underline{\text{shall}}$  [may] require a consumer to pay ad valorem taxes on the
- 23 manufactured home through the creditor.
- 24 (c) The escrow requirement of Subsection (a) does not apply
- 25 to a real property transaction involving a manufactured home if the
- 26 creditor does not otherwise require the escrow of taxes, insurance
- 27 premiums, fees, or other charges in connection with loans secured

- by residential real property.
- 2 SECTION 13. Section 2.001(a), Property Code, is amended to
- 3 read as follows:
- 4 (a) Except as provided by Subsection (b), a manufactured
- 5 home is personal [real] property.
- 6 SECTION 14. Section 2.001(b), Property Code, as amended by
- 7 Chapters 899 and 1055, Acts of the 77th Legislature, Regular
- 8 Session, 2001, is reenacted and amended to read as follows:
- 9 (b) A manufactured home is real property if [+
- 10  $\left[\frac{(1)}{(1)}\right]$  the home is permanently attached to real
- 11 property [+] and  $\underline{if}$ :
- 12 (1)  $\left[\frac{(2)}{(2)}\right]$  the manufacturer's certificate of origin or
- 13 the original document of title is surrendered for cancellation and
- 14 a notice of attachment or a certificate of attachment, as described
- 15 by Section 1201.217, Occupations Code [the Texas Manufactured
- 16 Housing Standards Act (Article 5221f, Vernon's Texas Civil
- 17 Statutes)], is filed in the real property records of the county in
- 18 which the home is located; or
- 19 (2) the owner of the home has entered into a lease for
- 20 the real property on which the home is located and the lease
- 21 specifically permits the recording of a notice of attachment or a
- 22 certificate of attachment.
- SECTION 15. Section 2.001, Property Code, is amended by
- 24 amending Subsections (c), (e), and (i) and adding Subsection (e-1)
- 25 to read as follows:
- 26 (c) In this section, "consumer," "document of title,"
- 27 "first retail sale," "manufactured home," and "mobile home" have

- the meanings assigned by <a href="Chapter 1201">Chapter 1201</a>, Occupations Code [the Texas

  Manufactured Housing Standards Act (Article 5221f, Vernon's Texas

  Civil Statutes)].
- Except for a manufactured home that is real property as provided by Subsection (b), the [The] Texas Department of Housing and Community Affairs <a href="may not">shall</a> [may not] issue a document of title for a new and untitled manufactured home at the first retail sale of the home or for a titled manufactured home at a subsequent sale of the home, regardless of whether [if] the home is to be temporarily or permanently installed by a retailer directly on real property titled in the name of the consumer under a deed or contract for sale.

(e-1) In a real property transaction described by Section 1201.222, Occupations Code [Before installation], the consumer must provide the retailer with a legible copy of the deed containing a legal description of the real property. The retailer is not required to determine the validity of the legal description of the real property. [A title company or attorney at law conducting the closing of a transaction under Section 19A, Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), or the retailer or retailer's agent shall file in the public land records for the county in which the real property is located a notice of installation not later than the 30th working day after the date the installation is completed and shall forward the manufacturer's certificate of origin and a copy of the notice of installation to the Texas Department of Housing and Community Affairs. The notice of installation serves as a completed

## cancellation application.

- (i) This section does not require a retailer or retailer's agent to obtain a license under <u>Chapter 1101, Occupations Code</u> [<del>The</del>

  Real Estate License Act (Article 6573a, Vernon's Texas Civil Statutes)].
- 6 SECTION 16. Sections 32.014(a) and (b), Tax Code, are 7 amended to read as follows:
  - home under the Property Code, if the owner of a manufactured home has been issued a certificate of attachment by the Texas Department of Housing and Community Affairs and [If] the ownership of the real property on which a manufactured home is affixed and the manufactured home are the same, the manufactured home shall be appraised and taxed as an improvement to the real property, and the tax lien attaches to the real property on which the manufactured home is affixed [located regardless of the classification of the manufactured home under the Property Code].
  - certificate of attachment by the Texas Department of Housing and Community Affairs, regardless of whether the ownership of the manufactured home[, whether by deed or contract for sale,] and the real property on which the manufactured home is affixed are [not] the same, the personal property manufactured home shall be separately appraised and taxed at the same rate and on the same ad valorem basis as other single-family residential structures. The tax lien on the manufactured home does not attach to the real property if the owner of the manufactured home has not been issued a

- 1 certificate of attachment [when the ownership of the manufactured
- 2 home and real property are different].
- 3 SECTION 17. Section 623.104, Transportation Code, is
- 4 amended by amending Subsection (d) and adding Subsection (e) to
- 5 read as follows:
- 6 (d) Except as provided by Subsection (e), if [H] the
- 7 offense involves the movement of a manufactured house over a
- 8 highway, road, or street in this state without a permit issued by
- 9 the department, the offense is a misdemeanor punishable by a fine of
- 10 not more than \$1,000 [\$500].
- (e) If it is shown on the trial of an offense under
- 12 Subsection (a) that the defendant has previously been punished
- 13 under Subsection (d):
- 14 (1) one time, the offense is punishable by a fine of
- 15 <u>not more than \$2,000; or</u>
- 16 (2) two or more times, the offense is punishable by a
- fine of not more than \$4,000.
- SECTION 18. (a) In accordance with Section 311.031(c),
- 19 Government Code, which gives effect to a substantive amendment
- 20 enacted by the same legislature that codifies the amended statute,
- 21 the text of Sections 1201.113 and 1201.217, Occupations Code, as
- set out in this Act, gives effect to changes made by Chapters 899,
- 23 1055, and 1367, Acts of the 77th Legislature, Regular Session,
- 24 2001.
- 25 (b) To the extent of any conflict, this Act prevails over
- 26 another Act of the 78th Legislature, Regular Session, 2003,
- 27 relating to nonsubstantive additions and corrections in enacted

- 1 codes.
- 2 SECTION 19. If the Act of the 78th Legislature, Regular
- 3 Session, 2003, relating to nonsubstantive additions to and
- 4 corrections in enacted codes takes effect, Sections 1201.162(b) and
- 5 (c), Occupations Code, are repealed. If that Act does not take
- 6 effect, Sections 21(b) and (c), Texas Manufactured Housing
- 7 Standards Act (Article 5221f, Vernon's Texas Civil Statutes), are
- 8 repealed.
- 9 SECTION 20. Sections 2.001(f), (g), and (h), Property Code,
- 10 are repealed.
- 11 SECTION 21. (a) The change in law made by this Act in
- 12 amending Section 623.104, Transportation Code, applies only to an
- 13 offense committed on or after the effective date of this Act. An
- 14 offense committed before the effective date of this Act is governed
- by the law in effect on the date the offense was committed, and the
- 16 former law is continued in effect for that purpose. For purposes of
- 17 this section, an offense was committed before the effective date of
- 18 this Act if any element of the offense occurred before that date.
- 19 (b) The change in law made by this Act in amending Section
- 32.014, Tax Code, applies only to an ad valorem tax year that begins
- on or after January 1, 2004. The change in law made in amending that
- 22 section does not affect a tax lien that attaches to property for a
- tax year that begins before January 1, 2004, and the law in effect
- 24 immediately before January 1, 2004, continues in effect for
- 25 purposes of the tax lien.
- SECTION 22. (a) Except as provided by Subsection (b) of
- 27 this section:

- 1 (1) this Act takes effect immediately if it receives a
- 2 vote of two-thirds of all the members elected to each house, as
- 3 provided by Section 39, Article III, Texas Constitution; and
- 4 (2) if this Act does not receive the vote necessary for
- 5 immediate effect, this Act takes effect September 1, 2003.
- 6 (b) Sections 1 and 16 of this Act take effect January 1,
- 7 2004.